

**Plans and progress to use all funds appropriated by the general assembly for the CHOICE program, and only for that program, as long as a waiting list exists for CHOICE program funded services.**

In State Fiscal Year 2003, the CHOICE program was appropriated \$48,683,904. The following analysis outlines how that money was spent:

**Appropriation Analysis**

Total Available CHOICE Funding	\$48,683,904.00
Less Medicaid Reimbursement*	\$ 5,652,121.00
Less Operating Expenses	\$ 542,498.00
Actual Total to Area Agencies on Aging	\$42,489,285.00

*\*This is the transfer from CHOICE to State Medicaid to match funding.*

Of the \$42,489,285 contracted to be spent by the Area Agencies on Aging (AAA), only \$39,147,716.22 was expended. The \$3,341,568.78 that was not spent represents 7.86% of the total contract amount. The following analysis outlines how the Area Agencies on Aging spent their CHOICE dollars (*See Attachment A for a breakdown of expenditures by AAA*):

**Expenditure Analysis (Contracts with AAA's)**

Administrative Costs*	\$ 5,454,160.99
Direct Services**	\$33,693,555.23
Total	\$39,147,716.22

*\* Administrative Costs of AAA's to operate the program includes Medicaid Home and Community-Based Services waiver administration.*

*\*\* Direct Services includes all service categories, home modifications and case management.*

In SFY 2003, CHOICE served 11,272 individuals. The average monthly care plan cost \$538.33, with the average annual care plan costing \$6,459.96. As of January 31, 2004, 10,776 individuals were waiting for CHOICE services. Based on the average annual client cost of \$6,459.96, it would cost an additional \$75,431,568.96 to serve the individuals on the current waiting list for one year.

**Plans for establishing the comprehensive array of home and community based services that are required by IC 12-10-11.5.**

The Family and Social Services Administration is committed to providing a continuum

of services for Hoosiers who are elderly or disabled. Today, that continuum ranges from nursing home facilities to home and community-based services funded through Medicaid waivers, CHOICE, the Social Services Block Grant and the Older American Act. (See Attachment B)

FSSA recognizes self-direction is an important component of this continuum of care. Currently, the Area Agencies on Aging (AAA) offer individuals consumer-directed personal attendant care services under CHOICE. In SFY 2003, 123 people had opted to use this service. The following chart illustrates the distribution of the self-directed care program participants by AAA:

**SFY 2003 Statewide Usage of Self-Directed Care (Sorted by AAA)**

<u>AAA</u>	<u># Participants</u>
2 (South Bend)	4
3 (Fort Wayne)	45
4 (Lafayette)	9
7 (Terre Haute)	29
8 (Indianapolis)	32
9 (Richmond)	4

In 2002, FSSA applied for and received a federal systems change grant to expand consumer-directed personal attendant care under the Aged & Disabled waiver. A taskforce formed as part of the Governor's Commission on Home- and Community-Based Services continues to work with the State in implementing the Community Personal Assistance Services and Supports Grant (C-PASS). Because the waiver recipients will technically be the employer of record for their personal attendants in this program, it is important to note that a number of issues are being resolved to fully implement the objectives of the C-PASS grant.

The biggest issue is the establishment of a fiscal intermediary. A number of the AAA's have stated that they are very concerned about how to handle their fiscal intermediary responsibilities under the CHOICE consumer-directed program and how to limit their liability surrounding "employer of record" issues. In fact, some AAA's have opted not to offer/promote this service until the issues are resolved. There are significant legislative restrictions on how this fiscal intermediary service is established; for example, IC 12-10-17 and 460 IAC 1-8-1 were never amended to include language from HEA 1252 regarding the Fiscal Intermediary process. Therefore, the administrative rule will need to be amended prior to implementing the Fiscal Intermediary process related to consumer-directed care. Furthermore, there is some question as to whether the language in HEA 1252 which states "The fiscal agent must be . . . *located in Indiana*" means they must be headquartered in Indiana or they must have an *office/staff located in Indiana*. Once the legislative requirements are determined, the State will have to execute an RFP to solicit fiscal agents for the consumer-directed attendant program.

Additionally, because the waiver recipient is technically the employer of record for the

personal attendant, the State must establish policies regarding personal liability insurance and workers compensation to protect both the employer and the employee.

FSSA is committed to establishing consumer-directed care on the Aged & Disabled waiver, and is working diligently to resolve the issues outlined above. Once standards are established for the Aged & Disabled waiver, these policies also will be applied to the consumer-directed service offered through CHOICE to improve consistency and protect individuals, personal attendant employees and the AAAs.

Regardless of where an individual receives services, FSSA is committed to ensuring those services are safe and appropriate. To that end, the FSSA Bureau of Quality Improvement Services (BQIS) received a Quality Assurance/Quality Improvement (QA/QI) grant last fall. In part, the grant holds BQIS accountable for surveying 20% of our medical model Medicaid waiver clients to view their satisfaction for the services they receive. To meet the 20% requirement, BQIS plans to survey 950 clients annually, which includes:

- 860 Aged & Disabled Waiver clients
- 40 Traumatic Brain Injury clients
- 30 Medically Fragile Children clients
- 20 Assisted Living clients

The BQIS Quality Monitors will conduct the surveys using the CMS Participant Experience Satisfaction (PES) tool. The PES asks such questions as, “Are you getting the services you need, you expect, you thought you were to get?”, “Are there services you need that you are not getting?”, and “Are there times when you do not get the services you need. If/when issues are identified, the Quality Monitor will contact the case manager for resolution.

Additionally, BQIS will also be conducting a longitudinal study, whereby a percentage of the clients will be surveyed every year to rank their level of satisfaction over time. BQIS is also charged with developing various committee structures that will help to analyze the data, provide input for future recommendations, etc. These specific committees will include state staff, consumers/family members, and advocates. (These committees are already established for the Developmental Disabilities services, and we plan to integrate into these existing groups when possible).

To ensure consistent quality of care, FSSA will continue the QA/QI reviews beyond the terms of the grant period. We expect to continue the reviews for the existing medical model waivers and possibly use the same concept for the non waiver clients (ie-CHOICE, SSBG).

**(3) Progress in enrolling individuals in home and community based services through Medicaid waivers, using the income eligibility standard established for those services by IC 12-10-11.5.**

FSSA contracted with The Lewin Group to conduct a comprehensive fiscal impact study of the full implementation of SEA 493. The study will project the State's ability to finance a uniform Medicaid financial eligibility of 300% of SSI for both Nursing Facilities and Home and Community-based Waiver Services. The study is projected to be completed in May/June 2004.

**(4) Progress in moving individuals from institutions to home and community based services through Medicaid waivers, using the funds that follow the individual under IC 12-10-11.5.**

The Lewin Group study of SEA 493 mentioned above will highlight Indiana's triggers for success and risk factors for failure. The Lewin Study also will explore elements of Quality Assurance and Quality Improvement related to the "Money Follows the Person" approach to community-based services including analysis of the delivery of those services, utilization of resources, quality achievement and oversight. The sustainability of the increased income eligibility standard will be determined.

**(5) Progress in tracking and recording savings generated by the implementation of IC 12-10-11.5.**

FSSA and Milliman USA, Medicaid's actuary, are developing a methodology to track expenditures and savings associated with moving individuals from institutions to Home and Community-Based Waiver Services (HCBWS).

**(6) Plans and actions taken to secure federal funding, including grants and private and state funding, other than funds appropriated to the CHOICE program, to assist in the implementation of IC 12-10-11.5.**

FSSA applied for and received three federal grants from the U.S. Department of Health and Human Services between July 2001 and July 2003 to pursue innovation, establish reform, and create lasting change. These grants included the Real Choice, Nursing Facilities Transition and Community Personal Assistance Services and Supports Systems Change grants:

The Real Choice Systems Change Grant underwrote the Governor's Commission on Home and Community-Based Services and funded nearly \$750,000 in mini-grants to build the state's capacity for home and community-based services. This \$1,385,000 grant is available to the state in FFY 2003, 2004, and 2005.

The Nursing Facilities Transition Grant is designed to develop and implement models for transitioning and diverting eligible individuals from nursing homes into home and community-based settings. This \$768,850 grant is available to the state in FFY 2002, 2003, and 2004.

The Community Personal Assistance Services and Supports Grant develops consumer-directed personal attendant care on the Aged & Disabled Waiver. This

\$725,000 grant is available to the state in FFY 2003, 2004 and 2005. Progress continues to be made on all three of these grant efforts, providing the State opportunities to engage various stakeholders in meaningful discussions on how we can improve Indiana's long-term care system. The FSSA Bureau of Aging and In-Home Services (BAIHS) is responsible for overseeing the implementation of these three grants.

In 2003, as stated in section (2), Indiana received its fourth systems change grant from CMS – the QA/QI grant. T